

IMPLEMENTATION PLANS

FOR THE PERIOD

OF

JULY 2004 - JUNE 2009

FOR THE

CENTRE CITY AND HORTON PLAZA

REDEVELOPMENT PROJECTS

**CENTRE CITY DEVELOPMENT CORPORATION
THE REDEVELOPMENT AGENCY OF
THE CITY OF SAN DIEGO
Adopted _____**

TABLE OF CONTENTS

I.	INTRODUCTION	1
II.	DESCRIPTION OF BLIGHTING CONDITIONS WITHIN THE PROJECT AREAS	2
III.	SPECIFIC GOALS AND OBJECTIVES OF THE AGENCY FOR THE PROJECT AREAS FOR THE PERIOD JULY 2004-JUNE 2009.	3
IV.	SPECIFIC PROJECTS AND EXPENDITURES PROPOSED TO BE MADE DURING THE PERIOD JULY 2004 - JUNE 2009	6
V.	EXPLANATION OF HOW THE GOALS & OBJECTIVES, PROJECTS & EXPENDITURES WILL ELIMINATE PROJECT BLIGHTING CONDITIONS	17
VI.	EXPLANATION OF HOW THE GOALS & OBJECTIVES, PROJECTS & EXPENDITURES WILL IMPLEMENT PROJECT HOUSING REQUIRE- MENTS	18
VII.	SUMMARY	26

I. INTRODUCTION

The Implementation Plans for the Centre City Redevelopment Project and the Horton Plaza Redevelopment Project (the "Plans") have been prepared and adopted according to California Community Redevelopment Law. The Plans identify project activities scheduled for the next five years and includes very low-, low-, and moderate-income housing activities.

The Plans cover the five-year period of July 2004 through June 2009. Previous Implementation Plans were:

- adopted in 1994 and amended in 1997 covering the period July 1994 through June 1999; and
- adopted in July 1999 and amended in October 1999 covering the period July 1999 through 2004.

The Plans for the Centre City Redevelopment Project and the Horton Plaza Redevelopment Project for the period July 1, 2004 through June 30, 2009, were approved and adopted by the Redevelopment Agency of the City of San Diego (Agency) on _____ by Resolution No. _____.

The Horton Plaza Redevelopment Project and the Centre City Redevelopment Project (the "Projects") were adopted in 1972 and 1992, respectively. The attached map illustrates the boundaries of the Projects (the "Project Areas"). The Projects were adopted because the conditions of deteriorating and dilapidated buildings and properties, health and safety hazards, obsolete buildings, shifting and incompatible uses, inadequate utility infrastructure, deteriorated public rights-of-way, and severe housing and social needs are pervasive throughout the Centre City and Horton Plaza areas. Isolated or sporadic attempts to eliminate blight in these areas are not effective. Only a comprehensive, community-wide approach to the reversal of blight and deterioration will prove effective in the long-term. The eight individual neighborhoods downtown comprising the Horton Plaza and Centre City Redevelopment Project areas are dependent upon one another for their physical, social, and economic well being; all of them together are the region's heart.

The Centre City Redevelopment Plan merged three former redevelopment projects and expanded the entire redevelopment project area from 365 acres to nearly 1,500 acres on May 11, 1992. The Centre City Redevelopment Plan has been amended as follows: 1st) November 28, 1994, 2nd) January 9, 1995, 3rd & 4th) November 8, 1999, 5th) November 22, 1999, 6th) September 12, 2000 and 7th) December 9, 2002. Time limits relating to the Centre City Redevelopment Plan and the Horton Plaza Redevelopment Plans are as follows:

AREA	DATE WITHIN WHICH INDEBTEDNESS MAY BE INCURRED	TERMINATION OF REDEVELOPMENT PLAN EFFECTIVENESS	DATE WITHIN WHICH TAX INCREMENT MAY BE RECEIVED
Centre City Redevelopment Plan			
Gaslamp Sub Area	N/A	July 30, 2022	July 30, 2032
Columbia Sub Area	N/A	December 29, 2016	December 29, 2026
Marina Sub Area	N/A	December 29, 2016	December 29, 2026
Expansion Sub Area	N/A	May 11, 2032	May 11, 2042
Horton Plaza Redevelopment Plan	January 1, 2004	July 25, 2012	July 25, 2022

II. DESCRIPTION OF BLIGHTING CONDITIONS WITHIN THE PROJECT AREAS

Many of the conditions of blight in the Horton Plaza Redevelopment Project have been addressed by the development of the Horton Plaza retail center, the SBC Building and the Meridian Condominiums. Other blighting influences including incompatible and obnoxious land uses, obsolete structures, congested streets, and inadequate parking facilities have also been addressed. However, the project area continues to exhibit blighting conditions which include two structures in need of rehabilitation, a portion of the project area that has been subdivided into a size which may preclude proper usefulness and development and deteriorating infrastructure in need of replacement.

Conditions of project blight within the Centre City Redevelopment Project have begun to be addressed in the redevelopment of the three merged project areas. These efforts began in 1976 and are ongoing. However, the project area continues to exhibit blighting conditions. A number of factors characterize the magnitude and effect of blighting conditions within the Centre City Redevelopment Project. Five general categories characterize the physical conditions. These are: 1) deterioration and dilapidation of buildings and properties; 2) shape and size of parcels; 3) incompatible land use; 4) toxic and hazardous materials; and 5) the poor condition of existing public improvements. Economic conditions in the project area are characterized by three factors: 1) business migration out of Centre City; 2) commercial vacancy factors; and 3) impaired investments. Social blight is characterized by worsening historical and current demographic trends and conditions, which historically show increases in crime, transiency, and general social maladjustment. Crime has decreased since redevelopment activities were initiated.

Specific blighting conditions within the Project Areas are related to building conditions, property conditions, seismic and structural reinforcement, buildings without sprinklers, use of asbestos, exposure to noise, access for the disabled, building code violations, and age and obsolescence of structures and

improvements. Building conditions, property conditions, and factors that indicate functional obsolescence are common in the Project Areas.

At the time the Centre City Redevelopment Project area was established, economic blight was evidenced by a steady decline in many of the economic indicators including assessed land values, business formations, business relocations, unemployment, retail sales, household income and public expenditures. Other economic indicators showed that the market was depressed and that the feasibility of rehabilitation of many of the older and dilapidated structures was very poor.

Conditions of severe social blight were also prevalent within the Centre City Redevelopment Project. Specific indicators of population, economic status, housing, crime, transiency, and mental health combine to show that social blight pervades the Project Area. Moreover, household incomes were very low. Centre City serves as a collection point for the County's most needy residents, especially the homeless. Crime, transiency, mental health problems, and alcohol and drug addictions are far more prevalent within the Project Areas than in the rest of the region.

Significant portions of the Project Areas include areas and buildings that clearly show the signs of years of disinvestment and neglect. These areas include an over concentration of homeless persons and a street population that extends into the existing business districts. Infrastructure is lacking. Public improvements, such as streets and sidewalks, are in significant states of disrepair.

Many of these blighting conditions have begun to be addressed by the Agency through the development of new projects, both public and private. The Agency has participated with owners in the Project Areas to implement commercial projects as well as supporting the development of very low-, low-, and moderate- income housing. Despite these efforts, many of the blighting conditions listed above remain.

III. SPECIFIC GOALS AND OBJECTIVES OF THE AGENCY FOR THE PROJECT AREAS FOR THE PERIOD JULY 2004 - JUNE 2009

To further eliminate the blighting conditions described in the previous section, the following goals/objectives are established. In general, the goals and objectives for the Project Areas are in accord with the Centre City Community Plan (the "Community Plan") which sets the vision for the future form of the downtown community. The Community Plan envisions the downtown area as the core for government, financial, commercial, and cultural activities integrated with distinct residential neighborhoods including high, moderate, low, and very low income housing along with the amenities and services necessary to support a vibrant downtown urban community.

The Community Plan identifies nine major elements and associated policies to implement the Community Plan. The nine major elements are: HOUSING; LAND USE; CIRCULATION; ECONOMIC DEVELOPMENT; HUMAN, SOCIAL, AND EDUCATIONAL SERVICES; URBAN FORM; CULTURE, ARTS, AND ENTERTAINMENT; AND INCENTIVES FOR PUBLIC BENEFITS.

Specific goals of the Agency to address the blighting conditions in the Project Areas include:

- creation of incentive programs for existing property owners to reinvest in their properties;
- creation of viable housing options within Centre City that span a range of incomes, including housing for the homeless and formerly homeless;
- creative implementation of catalyst projects which spur reinvestment on surrounding blocks;
- land acquisition for the creation of public facilities which serve both the immediate neighborhood and the community at large;
- enhancement of ceremonial streets which function as the focal points of their individual neighborhoods;
- systematic elimination of toxic substances in soils and groundwater;
- continued preservation of historically significant structures;
- improvements to existing water and sewer lines, streets, sidewalks, parkways, and lighting in the public right-of-way; continued participation in the enhancement of the public transit system;
- continued participation in the enhancement of the justice system;
- continued participation in the enhancement of the educational system; and
- acquisition and disposition of property to abate blighting influence uses and provide for future development.
- In addition to the foregoing objectives, develop and support a Ballpark Project within a unique Sports/Entertainment District so as to:
 - accommodate sports and entertainment facilities for major sporting events and local visitor attractions, recreation areas, retail, and commercial development, research and development facilities and residential;
 - provide a new, state-of-the-art baseball facility to assure the continued presence of the Padres in San Diego;
 - provide a family-oriented environment associated with the ballpark by including recreational, educational and retail activities;
 - reduce reliance on the automobile as the primary means of transportation to events; by taking advantage of a well-developed mass transit system;

- provide a catalyst for redevelopment in the area around the ballpark;
 - increase patronage of local retail businesses such as restaurants, hotels and retail shops;
 - complement the San Diego Convention Center by providing an adjacent facility to host large outdoor meetings;
 - provide open space for existing and future downtown residents;
 - provide additional parking for downtown businesses during non-event periods;
 - provide another regional facility for civic events amateur athletics, concerts, multiple day trade shows, private parties and other gatherings;
 - help implement a park to bay linkage by creating a new promenade street connecting Eighth Avenue with Park Boulevard; and
 - take advantage of the synergies and proximity to the Gaslamp District.
- In addition to the foregoing objectives, create Ancillary Development Projects near the Ballpark Project in a manner so as to:
 - encourage businesses to establish offices in the downtown area;
 - provide property tax-increment and transient occupancy tax funding for the ballpark and related infrastructure improvements through the addition of new hotel rooms, office space, and commercial retail facilities;
 - develop a neighborhood with year-round activities; and
 - provide shared parking to be used during events.

IV. SPECIFIC PROJECTS AND EXPENDITURES PROPOSED TO BE MADE DURING THE PERIOD JULY 2004 - JUNE 2009

A number of projects have been identified which would reduce or eliminate many of the blighting influences listed in Section II. Whereas California Redevelopment Law requires a five-year implementation plan regardless of economic conditions existing during the five-year period, it should be understood that the timing of these projects may be greatly influenced by market conditions and the ability of the private sector to respond to Agency initiatives. The projects and expenditures represented below rely on the private sector's ability to obtain financing for projects as well as the Redevelopment Agency's ability to maintain and increase its tax increment flow. If Redevelopment Agency funds are depleted due to new requirements imposed by State and local legislation or actions, it is unlikely that the projects listed below will be implemented.

Five-Year Work Program By District

The work programs are established based upon available resources and market opportunities. The descriptions identify near-term opportunities to remove blight in the Project Areas. However, within the next five years, new implementation programs and priorities could arise. The Plans may be amended to take advantage of unforeseen and significant opportunities. Certain projects may not be constructed in the District listed, but may, upon study prior to implementation, be located elsewhere in the Project Areas.

The work programs are divided into two sets of activities: 1) public infrastructure and facilities identified by District and as area-wide activities, and 2) projects designed to assist private development throughout the Project Areas.

PUBLIC INFRASTRUCTURE & FACILITIES (By District & Area-wide)

A. ____ “EAST VILLAGE”

PROJECT	PROJECT DESCRIPTION	CONTRIBUTION TO BLIGHT REMOVAL
Street Lighting/Lighting Conversion	Design and implement new street lighting system, convert existing low-pressure sodium to high-pressure sodium lights.	Increased lighting will improve public safety & deter crime.
Sewer/Water & Storm Drain Upgrades	Systematically replace outdated and outmoded storm drain, sewer & water facilities.	Replacement of public improvements allows new development to occur.
Sports and Entertainment Facilities	Study the feasibility of and development of sports and entertainment facilities.	Provide a catalyst for new development and investment, remove blighted, underutilized properties.
Elimination of Blighting Conditions	Acquire or otherwise eliminate and mitigate blighting influence uses including liquor stores, vacant properties, and areas of known drug trafficking.	Eliminate general blighting characteristics of specific properties to be identified.
Park Blvd Enhancements	Enhance major north/south thoroughfare with new landscaping, paving, and street furniture; improve trolley accessibility.	Replacement of inadequate public improvements, improve commercial activity on Park Blvd.
Underground Utility Lines	Bury all overhead utility lines and pad mounted facilities.	Remove visually blighting influence, enhance area as desirable location.

PROJECT	PROJECT DESCRIPTION	CONTRIBUTION TO BLIGHT REMOVAL
Enhanced Community Facilities	Creation of parks, public spaces and/or plazas and recreational facilities to provide catalysts for new development and activity centers for persons in the Project Areas.	There are no parks or recreational facilities in the East Village neighborhood. Proposed parks and recreational facilities would create residential amenities and provide adequate public facilities for the area.
Market Street Improvement	Determine feasibility, construct and improve medians on Market Street.	Improve appearance of downtown's second "ceremonial" street; catalyst for redevelopment of adjacent vacant and underutilized properties.
Extend Linear Park Southward	Extend the Linear Park to the entire southern edge of the East Village Redevelopment District.	Provide public amenities as a catalyst for new development & investment.
Park Blvd & Harbor Drive Pedestrian Bridge	Engineering & Construction of a pedestrian bridge over trolley and freight rail tracks, and Harbor Drive per December 2003 P.U.C. decision.	Enables the only vehicular connection of ballpark district redevelopment sites to Harbor Drive & waterfront. Provides visitor/convention attendees access from waterfront to inland sites, retail merchants and the ballpark district
Ballpark Project	A baseball park and its related support facilities, retail/entertainment uses (including the Retail at the Park), recreational uses (including the Park at the Park), parking facilities, mass transit improvements and infrastructure improvements including accompanying mitigation measures accommodating such uses and improved infrastructure.	Acquisition, clearance, and site assembly of substantial acreage, and reconfiguration of public infrastructure, on land now in multiple ownership, with incompatible, nonconforming and/or deteriorated improvements and conditions, as more particularly described in Section III. of the Agency's Report to City Council approved concurrently with adoption of the Third Amendment to the Redevelopment Plan.

PROJECT	PROJECT DESCRIPTION	CONTRIBUTION TO BLIGHT REMOVAL
Railroad Corridor Safety & Quiet Zone Analysis	Analysis & implementation of safety improvements at downtown railroad crossings, to improve vehicular and pedestrian safety and enable FRA train horn quiet zone.	Improves user safety and access at south and west sides of entire downtown and enhances desirability of adjacent land for full-capacity development and the elimination of blight.
Commuter Rail Station	Participate with SANDAG and North County Transit District to provide a commuter rail station at the Ballpark.	Encourage use of mass transit to events at the Ballpark to alleviate traffic congestion and encourage pedestrian activity in the commercial areas adjacent to the Ballpark.

B. COLUMBIA

PROJECT	PROJECT DESCRIPTION	CONTRIBUTION TO BLIGHT REMOVAL
Pacific Highway Improvement	Improve street with new paving, sidewalks, street furniture, & landscaping.	Improve gateway street into the Project Area, provide needed improvements to public infrastructure.
North Embarcadero Alliance Visionary Plan	Implementation of a comprehensive plan for Port, County, Navy and private lands and public right-of-ways.	Encourage economically viable development; increase economic and social vitality of bayfront; provide uses and amenities that celebrate the community; provide public access and open space; create a "signature" expression that draws attention to the area; serve local community and tourists; and preserve and maximize bay views.
Kettner, India, B and C	Provide for the appropriate development of the parcel between Kettner Blvd., India, B, and C streets.	Development of Agency-owned parcel to provide a catalyst for new development and investment.

PROJECT	PROJECT DESCRIPTION	CONTRIBUTION TO BLIGHT REMOVAL
Parcel C	Provide for the appropriate development of parcels on the south side of Broadway, between State Street and Kettner Blvd.	Infill vacant Agency-owned parcels which attract nuisances.
Transit Corridor Enhancements	Enhancement of surface improvements at Santa Fe Depot and transit station surroundings. Improve pedestrian access to transit corridor.	Replace inadequate public improvements, improve public safety and provide a catalyst for new development to improve pedestrian access to the transit court yard.
Downtown Jails and Courts	Participate with County and Federal governments to facilitate adequate jail and court facilities in downtown San Diego.	Provide publicly-owned facilities to increase public safety and deter crime in the Project Areas.

C. CORE

PROJECT	PROJECT DESCRIPTION	CONTRIBUTION TO BLIGHT REMOVAL
C Street Enhancement	Continue improvements to trolley right-of-way on either side of C Street through downtown.	Replacement of inadequate public improvements, improve commercial activity on C Street.
B Street Extension Between First & Third avenues.	Provide street right-of-way improvements between First & Third avenues to enhance pedestrian and transit circulation.	Replacement of inadequate public improvements and alleviate traffic congestion within the Project Areas.
Civic Center Enhancement	Continue efforts to recruit and retain government agencies; plan and implement public improvements, infrastructure, and capital resources as appropriate.	Increase downtown employment, replace functionally obsolete structures, provide public amenities to complement San Diego's civic buildings.

D. CORTEZ

PROJECT	PROJECT DESCRIPTION	CONTRIBUTION TO BLIGHT REMOVAL
I-5 Enhancement	Enhance the southern & western boundaries of Interstate 5 through the Cortez District	Improve noise attenuation & create public amenities for a residential neighborhood.
Demolition of Second Avenue off-ramp from south bound I-5.	Study the feasibility of removing the off-ramp from I-5 to Second Avenue.	Replacement of outdated public improvements and facilities to provide an incentive for private investment, thereby removing neighborhood blight.

E. GASLAMP QUARTER

PROJECT	PROJECT DESCRIPTION	CONTRIBUTION TO BLIGHT REMOVAL
Gaslamp Off-Site Improvements	Complete off-site improvements in the Gaslamp Quarter.	Replace inadequate public improvements.

F. "LITTLE ITALY"

PROJECT	PROJECT DESCRIPTION	CONTRIBUTION TO BLIGHT REMOVAL
Pacific Highway Right-of-way Improvements	Improve street with new paving, sidewalks, street furniture, & landscaping.	Improve gateway street into the Project Areas, provide needed improvements to public infrastructure.
India Street Revitalization	Provide new paving, sidewalks, landscaping, & street furniture on India Street, the major north/south arterial through the Little Italy community.	Replacement of inadequate public improvements, improve commercial activity on India Street.

PROJECT	PROJECT DESCRIPTION	CONTRIBUTION TO BLIGHT REMOVAL
North Embarcadero Alliance Visionary Plan	Implementation of a comprehensive plan for Port, County, Navy and private lands and public right-of-ways.	Encourage economically viable development; increase economic and social vitality of bayfront; provide uses and amenities that celebrate the community; provide public access and open space; create a "signature" expression that draws attention to the area; serve local community and tourists; and preserve and maximize bay views.

G. MARINA

PROJECT	PROJECT DESCRIPTION	CONTRIBUTION TO BLIGHT REMOVAL
Martin Luther King, Jr. Promenade	Complete improvements to the Park bordering the southern edge of Marina Redevelopment District.	Provide public amenities as a catalyst for new development & investment.
Marina Off-Site Improvements	Complete off-site improvements in the Marina District.	Replace inadequate public improvements.
North Embarcadero Alliance Visionary Plan	Implementation of a comprehensive plan for Port, County, Navy and private lands and public right-of-ways.	Encourage economically viable development; increase economic and social vitality of bayfront; provide uses and amenities that celebrate the community; provide public access and open space; create a "signature" expression that draws attention to the area; serve local community and tourists; and preserve and maximize bay views.
Water, Sewer & Storm Drain Upgrades	Replace outdated and outmoded water, sewer & storm drain facilities.	Upgrade of public improvements allows new development to occur.
Pacific Highway Improvements	Design & construct new medians for Pacific Highway.	Enhance major gateway into Centre City, provide needed improvements to public infrastructure.

H. HORTON PLAZA REDEVELOPMENT PROJECT

PROJECT	PROJECT DESCRIPTION	CONTRIBUTION TO BLIGHT REMOVAL
Horton Off-Site Improvements	Complete off-site improvements in the Horton Project.	Replace inadequate public improvements.
Balboa Theatre	Implement a rehabilitation program in order to place the structure in use.	The blighted historic structure will become a cultural amenity in the Project Areas, thereby attracting additional investment to the area & improving a blighted property.

I. OTHER PUBLIC INFRASTRUCTURE/FACILITY PROJECTS (AREA-WIDE)

PROJECT	PROJECT DESCRIPTION	CONTRIBUTION TO BLIGHT REMOVAL
Community Plan Update	A 2-year, consultant-assisted effort to update the 1992 Community Plan for the entire 1500 acre Centre City jurisdiction, including land use, housing, circulation, urban design, open space, and other planning elements.	The plan establishes specific goals and policies which guide the enactment of the Redevelopment Plan and specific implementing projects, all of which remove numerous and various blight conditions.
Downtown Street Lighting	Installation of new and conversion of existing street lighting from low pressure sodium to high pressure sodium.	Increased lighting will improve public safety & deter crime.
Street Enhancement	Enhance public rights-of-way, providing new paving, landscaping, sidewalks, public art and street furniture.	Replace inadequate public improvements and provide a catalyst for new development by implementing off-site improvements.
Central Library	Replace existing Central Library with a new facility.	Replacement of obsolete facility to provide appropriate cultural resources for the downtown area.

PROJECT	PROJECT DESCRIPTION	CONTRIBUTION TO BLIGHT REMOVAL
Miscellaneous Public Improvements and Facilities	Provide public improvements and facilities as needed within, or to serve, the various areas of the Project Areas.	Replacement of outdated public improvements and facilities to provide an incentive for private investment, thereby removing neighborhood blight. Insure adequate health and safety facilities for future development.
Increase Availability of Parking	Increase availability of parking to support downtown uses through a comprehensive strategy.	Increased availability of parking will assist in the retention and reuse of historic structures and public buildings, attract greater development opportunities to the immediate area and enhance downtown residential living.
Linear Park Improvements	Extend Linear Park to northern and southern edges of the project area.	Provide public amenities as a catalyst for new development and investment and improve public safety and deter crime.
Government Offices	Assist City, County, State and Federal government agencies in finding suitable locations within the Project Areas. Provide acquisition and relocation as necessary.	Provide added vitality to the Project Areas by attracting and retaining major employers and making downtown a true "Civic" Center.
Park to Bay Link	Create links between Balboa Park & the San Diego Bay. Links would include enhanced paving, enhanced landscaping, street furniture and enhanced transit facilities.	The Bay Park Link Program replaces inadequate public facilities & infrastructure with appropriate improvements which link two of downtown's greatest amenities.
Open Space and Parks	The creation of public open spaces for active public use.	Increase the amount of public open space to enhance downtown residential neighborhoods and commercial districts.
I-5 Freeway Enhancement	Enhance the western boundary of Interstate 5 through the Little Italy Neighborhood.	Improve noise attenuation & create public amenities for the residential neighborhood.
Water, Sewer & Storm Drain Upgrades	Replace outdated and outmoded water, sewer & storm drain facilities.	Upgrade of public improvements allows new development to occur.

PROJECT	PROJECT DESCRIPTION	CONTRIBUTION TO BLIGHT REMOVAL
Transit Corridor Enhancements	Enhancement of surface improvements at transit station surroundings and Improved pedestrian access to transit facilities.	Replace inadequate public improvements, improve public safety and provide a catalyst for new development.
Implementation of the Agency's Social Issues Policies Working Strategy	Develop transitional and permanent supportive and permanent affordable housing throughout San Diego for formerly homeless persons.	Decrease homelessness and transiency, and create very low income housing for the needy in Centre City and Horton Plaza.
Elimination of Toxic Substances	Systematic identification, removal and remediation of toxic substances.	Facilitate the redevelopment of "brownfields", urban areas that are suspected of being contaminated by hazardous materials.
Ancillary Development Projects	A series of individual developments around the ballpark, potentially to include office-commercial, professional office, research and development, retail, hotels and residential.	Acquisition, clearance, and site assembly of substantial acreage, and reconfiguration of public infrastructure, on land now in multiple ownership, with incompatible, nonconforming and/ or deteriorated improvements and conditions, as more particularly described in Section III. of the Agency's Report to City Council approved concurrently with adoption of the Third Amendment to the Redevelopment Plan.
Schools/Educational Facilities	Coordinate with SD Unified, City College and various private schools, with possible infrastructure and parks improvements and land assembly, to retain, establish and expand a full range of educational opportunities for downtown residents, families and workers.	Private, magnet and charter elementary schools can be integrated into urban mixed-use projects, providing a necessary service to downtown families and workers; the resulting employment and residential developments further the redevelopment of the Project Areas.
Underground Above-Ground Utility Lines and Facilities	Bury all overhead utility lines and pad mounted facilities.	Remove visually blighting influence, enhance area as desirable location.

AREA WIDE PRIVATE DEVELOPMENT

The Agency also plans to participate in a number of activities with private and non-profit entities to implement the Horton Plaza and Centre City Redevelopment Plans. The range of activities to assist future projects is listed below. More specific project descriptions will be developed as projects are submitted for Agency assistance. The project's individual contribution to blight removal will be evaluated at that time. The Agency will assist in private activities as the market presents opportunities to do so. Such activities may include:

PROJECT	PROJECT DESCRIPTION	CONTRIBUTION TO BLIGHT REMOVAL
Commercial District Facade Rehabilitation	Assist street-level business in improving the facade of their businesses. Loans would be available for planning and construction of improvements.	Aid the private sector in the improvement of street facades and restoration of commercial shopping nodes. Facade improvements will complement planned streetscape improvements.
Construct Off-Site Improvements	In conjunction with private development, construct off-site improvements, including side-walks, lighting, street trees, and street furniture.	Public/private partnership to replace outdated public improvements.
Children's Museum	Implementation of the mixed-use development, including the residential condominium tower by Pinnacle Development and the new Children's Museum and Park.	Public/private partnership to create a cultural amenity to attract new development and increase investment in the neighborhood.
Historic Preservation Loans	Execute Owner Participation, Disposition & Development and Mills Act agreements to make historic rehabilitation feasible under present market conditions.	Rehabilitation of historic structures and implementation of creative reuse strategies while simultaneously removing blight.
Acquisition/Disposition of Property & Relocation Services	Through acquisition, assemble developable parcels for public facilities and private development.	Remove/demolish blighted and other properties, where necessary, to provide for appropriate new development.
Elimination of Toxic Substances	Consistent with state and federal laws remedy or remove a release(s) or hazardous substances on, under or from property.	Facilitate the redevelopment of "brownfields", urban areas that are suspected of being contaminated by hazardous materials.

PROJECT	PROJECT DESCRIPTION	CONTRIBUTION TO BLIGHT REMOVAL
Seismic Retrofit	Assist in the planning, development and construction for the seismic rehabilitation of structures in the Project Areas.	Rehabilitate blighted and underutilized structures and create new economic opportunities in the Project Areas.
Educational Facilities	Aid in the acquisition and development of property for commercially operated educational facilities.	Public/Private partnership to create educational facilities to attract new development and increase investment in the Project Areas.
Rehabilitation Loans	Assist private developers in financing rehabilitation work in the Project Areas.	Rehabilitate blighted structures and create new economic opportunities in the Project Areas.
Low- & Moderate- Income Housing Loans-Rental housing	Assist the private sector in development of affordable rental housing.	Increase the supply of decent affordable housing available to a broad spectrum of individuals in the Project Areas.
Low- & Moderate- Income Housing Loans-Owner Occupied Housing	Assist the private sector in development of affordable ownership housing within the Project Areas.	Increase the supply of decent affordable ownership housing for individuals and families within the Project Areas. Bring new stakeholders into downtown.
Interim Property Improvement Loans	Small loans designed to provide incentives for property owners to undertake deferred maintenance within the Project Areas.	Aid the private sector in improving street facades and restoring neighborhoods within the Project Areas.
Expedited Development Processing	Provide environmental review, plan review, and entitlement assistance to developers proposing development projects within the Project Areas.	Increase the rate at which projects are redeveloped within the Project Areas.

The projects listed above represent the current public infrastructure/facility and private activities priorities of the Redevelopment Agency. The Plans include a projected \$510 million in expenditures for the Centre City Redevelopment Project and projected \$35 million of expenditures for the Horton Plaza Redevelopment Project, for a total of \$545 million over the five-year period. The \$545 million in expenditures for the Centre City and Horton Plaza Redevelopment Project is estimated to consist of \$80 million for Low and Moderate Income Housing, \$22 million for parking facilities, \$167 million for public improvements/infrastructure, \$39 million for community facilities and payments to the taxing entities, \$173 million for debt service, and \$64 million for implementation costs associated with developments.

V. EXPLANATION OF HOW THE GOALS & OBJECTIVES, PROJECTS & EXPENDITURES WILL ELIMINATE PROJECT BLIGHTING CONDITIONS

Specific projects listed in the previous section include a description of how blight is eliminated as a result of implementation of a specific project. However, taken together, the cumulative effects of all of the projects listed will have a greater impact in eliminating blight than individual projects alone.

Taken together, the projects described in the previous section improve the Project Areas by:

- increasing employment through provision of additional jobs created as a result of private sector investment,
- increasing residential stability as a result of improved neighborhood conditions and an improved housing stock which meets the needs of a broad spectrum of incomes;
- reducing social blight through implementation of the Agency's Social Issues Policies Working Strategy which advocates transitional and permanent housing for formerly homeless individuals;
- correcting original deficiencies in planning of the Centre City area through redevelopment, thereby creating a more cohesive and appropriate urban environment for residents and visitors alike;
- increasing private investment as a result of catalytic projects created throughout the neighborhoods of Centre City and Horton Plaza;
- enriching downtown's neighborhoods through preservation of historically significant structures; and
- reducing office and residential vacancies due to new residents and businesses entering the downtown community as blight is removed.

The previously adopted redevelopment project areas included within the merged and expanded Centre City Redevelopment Project evidence the success of past blight removal activities. The newer redevelopment districts are building on and ensuring the long-term success of the prior redevelopment project areas.

VI. EXPLANATION OF HOW THE GOALS & OBJECTIVES, PROJECTS & EXPENDITURES WILL IMPLEMENT PROJECT HOUSING REQUIREMENTS

A. Goals & Objectives

California Community Redevelopment Law requires that not less than 20% of all tax increments allocated to a redevelopment agency must be used for the purposes of increasing, improving and preserving the community's supply of low- and moderate- income housing available at affordable housing costs further defined by State Law. Section 33413(b)(2) of the California Community Redevelopment Law requires that at least 15% of all new or rehabilitated dwelling units developed within the project area by public or private entities other than the Agency must be available at affordable housing costs to, and occupied by, persons and families of low or moderate income (the "Affordable Units"); not less than 40% of the Affordable Units must be available at affordable housing costs to, and occupied by, very low income households. Additionally, the Affordable Units must remain affordable for the longest feasible time but not less than fifty-five years for rental units and forty-five years for owner-occupied units. The ongoing Projects' goal is to develop housing in compliance with current legislation and with available Projects' resources.

B. Projects & Expenditures to be Made During the Next Five Years

1. Five-Year Housing Program

The table below indicates the amounts available in the Low and Moderate Income Housing Fund and the annual projected Low and Moderate Income Housing Fund resources available over the next five years. It also indicates the estimated expenditures of moneys from the Low and Moderate Income Housing Fund over the next five years.

**LOW- AND MODERATE- INCOME HOUSING
FUNDS AVAILABILITY & ESTIMATE OF
EXPENDITURES/ENCUMBRANCES**

FISCAL YEAR	LOW MOD FUND	PROPOSED EXPENDITURES/ ENCUMBRANCES
2004-05	\$39,300,000	\$39,300,000
2005-06	\$8,400,000	\$8,400,000
2006-07	\$9,900,000	\$9,900,000
2007-08	\$10,900,000	\$10,900,000
2008-09	\$11,500,000	\$11,500,000
TOTAL	\$80,000,000	\$80,000,000

In general, \$8 to \$11 million will be available annually to the Housing Set-Aside Fund derived from the 20% set aside, interest income and miscellaneous income. The Agency estimates the number of units that will be assisted in each of the next five years is as follows:

FISCAL YEAR	2004-05	2005-06	2006-07	2007-08	2008-09
NEW UNITS	508	689	689	689	689
REHABILITATED UNITS	27	36	36	36	36
PRICE RESTRICTED	0	0	0	0	0

a. Projected Housing Units

It is estimated that annually up to 535 new, substantially rehabilitated or price-restricted residential units will be developed in the Project Areas through the Fiscal Year 2004/2005. Beginning in Fiscal Year 2006, between Fiscal Years 2005/2006 and 2013/2014, the total number of new, substantially rehabilitated or price-restricted residential units developed annually will be 725. The following table illustrates the anticipated breakdown of total units developed and indicates the number of units of very low and low and moderate required by Section 33413(b)(2) of the California Community Redevelopment Law to be developed in the Project Areas.

**HEALTH AND SAFETY CODE SECTION 33413
TEN-YEAR PROJECTIONS
Projected Unit Production**

FISCAL YEAR	TOTAL UNITS	LOW AND MODERATE INCOME (15%)	VERY LOW INCOME (40% OF 15%)
2004-05	535	80	32
2005-06	725	109	44
2006-07	725	109	44
2007-08	725	109	44
2008-09	725	109	44

2009-10	725	109	44
2010-11	725	109	44
2011-12	725	109	44
2012-13	725	109	44
2013-14	725	109	44
TOTAL PROJECTIONS	7,060	1,061	428

All units developed with Agency assistance from the Low and Moderate Income Housing Fund will be restricted to very low, low, or moderate income households.

b. Replacement Housing

If all of the residential property identified in 1992 as potentially eligible for demolition (2,520 total or 76 units/year) were to be demolished in the next five years, then it would be anticipated to cause removal and destruction of approximately 382 dwelling units over the five years of the Plans. To date, this estimate has proven to be far overstated. It is anticipated that some of the units to be removed will be occupied by persons or families of low and moderate income. New construction and rehabilitation activity is anticipated to continue to produce a greater number of units for very low, low, and moderate-income households than the number of units removed from the housing stock. Thus far, the Agency has far exceeded its replacement requirement, supplying over 2,248 housing units affordable to low and moderate income households, of which 1,289 are reserved for very low income individuals.

2. Description of Agency Plans for Using Annual Deposits in the Low- and Moderate- Income Housing Fund

Approximately \$8 to \$11 million per year will be made available to meet the Agency's housing requirements. All funds from the Project Areas will be used to implement housing objectives of the Redevelopment Agency. It is not anticipated that any funds will become excess/surplus. Therefore, funds would not be diverted to the local housing authority to implement the Agency's Inclusionary Housing Program.

3. Identification of Proposed Locations Suitable for Replacement Dwellings

Pursuant to Section 33490(a)(3) of the California Community Redevelopment Law, if the Implementation Plan contains a project

that will result in the destruction or removal of dwelling units that will have to be replaced pursuant to Section 33413(a) of the California Community Redevelopment Law, the Plans shall identify proposed locations suitable for those replacement units. The requirements of that section will be met when projects are identified that would require the removal of dwelling units. When this occurs, the Agency will demonstrate that suitable replacement housing has been or will be provided in compliance with the requirements of Section 33413(a) of the California Community Redevelopment Law.

All housing units to be removed by implementation of the Projects will be replaced with housing units within the Projects Areas or the City. Relocation assistance, as required by the California Community Redevelopment Law, will be offered to all eligible property owners and tenants with the Project Areas.

4. Estimates of Total Housing to be Developed by the Agency

As required by Section 33490 of the California Community Redevelopment Law, the Plans must contain an estimate of the number of Agency-developed residential units which will be developed during the next five years, if any, which will be governed by Section 33413(b)(1) and the number, if any, of Agency developed units for very low, low and moderate-income households which will be developed by the Agency during the next five years to meet the requirements of Section 33413(b)(1). The Agency does not anticipate developing any residential units during the next five years.

5. The Number of New, Substantially Rehabilitated or Price Restricted Units to be Developed in the Project Areas

The Agency proposes assisting with the construction of approximately 6,709 units during the next 10- year period (FY2004-2014) and 6,890 units between FY2014-2026, for a total of 13,599 units. The Agency also estimates assisting with the rehabilitation of approximately 351 units during the next 10- year period (FY2004-2014) and 360 units between FY2014-2026, for a total of 711 units. [The Agency does not anticipate purchasing any price-restricted units during the next 10-year period (FY2004-2014) or between FY2014-2026].

The inclusionary requirements state that: 1) 15% of all new or rehabilitated dwelling units developed by public or private entities other than the Agency in a redevelopment project area should be affordable to low and moderate income households, of which 40% shall be available at affordable housing cost to very low-income households; and 2) 30% of all new and rehabilitated dwelling units developed by the Agency must be affordable for low- and moderate-income households and not less than 50% shall be affordable for very low-income households.

The following table identifies the number of housing units and the number of units of very low, low-and moderate-income households to be developed over the next five years. The units are categorized by income level, housing type, and tenure type. The table projects the construction or rehabilitation of approximately 3,435 housing units.

PROJECTED HOUSING UNITS
July 2004 - June 2009
(Derived from 1992 Report to Council)

Fiscal Year	Senior SRO	Rental	For - Sale	Combined Total	Market Rate	Low / Mod
2004-05	123	193	219	535	268	267
2005-06	145	218	362	725	363	362
2006-07	145	218	362	725	363	362
2007-08	145	218	362	725	363	362
2008-09	145	218	362	725	363	362
Total	703	1,065	1,667	3,435	1,720	1,715

The following table provides a performance summary comparing the total number of residential units projected to be developed over the life of the Redevelopment Plan (1992 - 2032) by type and the actual production to date.

NEW RESIDENTIAL UNIT PRODUCTION (1992 - 2032)

Unit type	Senior & SRO	Rental Units	For-Sale Units	Combine d Total	Market Rate	Low/Mo d Units	Very Low Income
Redev Plan Target 2032	4,564	6,846	11,410	22,820	19,397	3,423	1,370
Actual to date (6/30/04)	1,742	3,562	4,049	9,353	7,105	2,248	1,289
% of Goal	38%	52%	35%	41%	36%	65%	94%

The following table reflects the number of units that were produced over the previous Plans period 1999 through 2004 and the amount of money from the low- and moderate-income fund used to assist the production of such units.

**Low and Moderate Income Housing Production
Over Previous Plan Period (1999-2004)**

PROJECT	LOCATION	HOUSING TYPE	TOTAL UNITS	LOW/MOD UNITS	INCOME LEVELS	LOW/MOD FUNDS
3427 4 th Avenue	Outside Centre City & Horton Plaza Project Areas	Transitional	10	10	Low	\$500,000
900 F Apartments	East Village	Rental	115	86	Moderate	\$3,227,000
CCBA Senior Garden Apartments	Marina	Senior	45	44	Very Low + Low	\$1,554,000
Cortez Hill Family Center	Cortez	Transitional	45	45	Very Low	\$1,500,000
Entrada	East Village	Rental	172	40	Low + Moderate	\$3,500,000
Island Village Apartments	East Village	SRO	280	280	Very Low + Low	\$1,300,000
Heritage Apartments	Cortez	Rental	230	38	Moderate	\$6,000,000
Market Square Manor	East Village	Senior	200	200	Very Low	\$2,200,000
Villa Harvey Mandel	East Village	Rental	90	89	Very Low	\$920,000
TOTAL			1,187	832		\$20,701,000

The following table reflects the number of units that were produced over the previous Plans period 1999 through 2004 and the amount of money from the low- and moderate-income fund used to assist the production of such units available to households with children.

**Low and Moderate Income Housing Production
Units Available to Households with Children
Over Previous Plan Period (1999-2004)**

PROJECT	LOCATION	HOUSING TYPE	TOTAL UNITS	LOW/MOD UNITS	INCOME LEVELS	LOW/MOD FUNDS
900 F Apartments	East Village	Rental	115	86	Moderate	\$3,227,000
Cortez Hill Family Center	Cortez	Transitional	45	45	Very Low	\$1,500,000
Entrada	East Village	Rental	172	40	Low + Moderate	\$3,500,000
Heritage Apartments	Cortez	Rental	230	38	Moderate	\$6,000,000
Villa Harvey Mandel	East Village	Rental	90	89	Very Low	\$920,000
TOTAL			652	298		\$15,147,000

6. Development of Housing to Match Income Level Needs

California Community Redevelopment Law requires that the Agency expend Low and Moderate Income Housing funds to assist in the development of housing affordable to very low and low income persons as each of those needs have been identified in the most recent determination pursuant to Government Code Section 65584 (of the regional share of the statewide housing need). The Agency shall determine compliance based on estimates of housing need for persons of moderate, low, and very low-income as published in the City of San Diego's General Plan Housing Element. According to the FY1999 to 2004 Housing Element, the proportional share of housing need in San Diego is 39% moderate-income (9,137 unity city-wide), 29% low-income (6,797 units city-wide), and 32% very low-income (7,463 units city-wide).

Proposed Expenditures for Development of Housing to Match Income Level Needs
From Low and Moderate Income Housing Fund - FY 2004-2009

FISCAL YEAR	Very Low-Income	Low-Income	Moderate-Income	Total Low/Mod Expenditures
2004-05	\$15,327,000	\$11,397,000	\$12,576,000	\$39,300,000
2005-06	\$3,276,000	\$2,436,000	\$2,688,000	\$8,400,000
2006-07	\$3,861,000	\$2,871,000	\$3,168,000	\$9,900,000
2007-08	\$4,251,000	\$3,161,000	\$3,488,000	\$10,900,000
2008-09	\$4,485,000	\$3,335,000	\$3,680,000	\$11,500,000
TOTAL	\$31,200,000	\$23,200,000	\$25,600,000	\$80,000,000

The Agency will expend Low and Moderate Income Housing Funds in the proportions cited to ensure compliance with Section 33334.4 of the California Community Redevelopment Law.

7. Low and Moderate Income Housing Funds to Assist All Persons

Over the duration of the Implementation Plan, California Community Redevelopment Law requires the Agency to expend moneys in the Low and Moderate Income Housing Fund to assist housing that is available to all person regardless of age in at least the same proportion as the population under age 65 bears to the total population of the community as reported in the most recent census of the United States Census Bureau. According to the 2000 U.S. Census, a total of 89% of the population in the City of San Diego is under age 65. Therefore, at least 89% of the Agency's Low and Moderate Income Housing Fund would have to be utilized to assist in the development of housing that is available to all persons regardless of age.

8. Compliance with the Housing Element of the General Plan and Progress Guide

The provisions of Section 33413(b)(4) of the California Community Redevelopment Law require the Agency to adopt and periodically update a plan to ensure compliance with the existing criteria of Section 33413(b) of the California Community Redevelopment Law regarding the affordability mix of new or substantially rehabilitated housing units ("Housing Compliance Plan"). The Community Redevelopment Law further requires that this Housing Compliance Plan be prepared as part of the implementation plan required by Section 33490 of the Community Redevelopment Law. This Housing Compliance Plan must be consistent with the jurisdictions housing

element and must also be reviewed and, if necessary, amended at least every five (5) years with either the housing element cycle or the implementation plan cycle. An ongoing goal in both Project Areas is to use available Projects resources to develop housing in compliance with current legislation.

The Housing Element's five-year projections for all the Redevelopment Agency's project areas include a total of 1135 rehabilitated and/or newly constructed housing units of which 150 are proposed to be transitional housing units. The numbers reported in the housing element are aggressive; however, the Agency's five-year projections for the Horton Plaza and Centre City Redevelopment Projects described in this Plan are higher than the Agency's goals for all Agency project areas.

The goals and projections outlined in the Plans provide the framework for each Project Area's housing programs. They conform with the City of San Diego's housing element.

The Implementation Plans will be reviewed in five years in conjunction with the City's update of the Housing Element of the General Plan and Progress Guide. Any necessary modifications may be made at that time to accurately reflect market conditions. The Agency will continue monitoring compliance with all State housing requirements on a project-by-project basis. The Agency annual report also provides a summary of annual housing activity.

VII. SUMMARY

The Plans set forth specific projects planned for the Project Areas during the next five years in accordance with the Centre City Community Plan and the California Community Redevelopment Law. These Plans provide for a number of catalytic projects including construction and rehabilitation of low- and moderate income housing. The Plans set forth programs which, when implemented, will aid the private sector to reinvest in downtown. These programs include: commercial facade rehabilitation loans, historic preservation loans, and land write-downs, and interim property improvement loans. These Plans also set forth the provision of major public improvements, including street improvements and facilitation of major public facilities. In addition, these Plans provide for a continuing investment in commercial and residential rehabilitation projects which help secure the long-term success of the public investments already implemented in the three former redevelopment project areas.